

THE SECRETARY OF STATE
WASHINGTON

November 15, 1974

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MEMORANDUM FOR: THE PRESIDENT
FROM: Henry A. Kissinger *HK*
SUBJECT: Trade Agreement with Romania

Romania is anxious to secure most-favored-nation tariff treatment when the Trade Reform Act is passed. To minimize any delay and also to demonstrate our positive intent to the Romanians, I would like to begin negotiations on a trade agreement now.

I propose that Ambassador Barnes conduct the negotiations in Bucharest, assisted by a small staff-level group from agencies represented on the Committee on East-West Trade Policy.

The trade agreement would have features similar to the USSR trade agreement including, in addition to MFN, provisions covering disruptive imports and protection for US businessmen, and a projection of trade levels.

It will be important to advise key Congressional figures of our plans to undertake negotiations with the Romanians in advance of the necessary legislative authority. There is considerable support on the Hill for MFN for Romania and Congress will, under the Trade Reform Act, have an opportunity to review the agreement. Moreover, consultations will help avoid any adverse impact on prospects for the trade bill.

I recommend that you authorize the opening of negotiations with Romania in early December in Bucharest.

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GDS